

Talking Points

Mississippi's Constitution requires a balanced budget ... not only in the flush times, but always. That means cuts must be made when revenue doesn't meet appropriations.

Dismal revenue collections in the early months of Fiscal Year 2010 have already forced spending reductions totaling \$172 million, and further deep cuts are inevitable.

At current rates, drastic spending reductions - perhaps in the \$700 million range - will be necessary to balance the budget in Fiscal Year 2011 and Fiscal Year 2012.

This is a structural deficit caused partly by a collapsed national economy and complicated by a one-time infusion of federal stimulus money.

Mississippi must prepare for the loss of this federal stimulus money. Much of it money will be gone by December 2010, and none will remain by July 2011; the loss of this one-time federal money is likely to leave huge gaps in the state budget and adversely affect some services.

We cannot continue to base our budget or operations on whether or not the federal government will bail us out; instead, the state must live within its means.

While the immediate outlook is not good, this does give us a rare opportunity to re-shape state government, with an eye toward getting the biggest bang for every taxpayer dollar.

Dire times require daring action. This is not business as usual.

Prioritize state spending on essential government services, and cull out the unnecessary ones.

Here are some options:

Continued prudent use of the state's rainy day fund. Compliment lawmakers who filled the fund; must use it for another three years or so, not succumb to temptations to deplete it in one year.

State agencies need the authority to manage more effectively; give them lump sum authority to "right size" their own agencies, out from under state personnel rules for at least one year.

Explore a four-day, 10-hour-per-day work week, for agencies where it makes sense.

Combine some public school districts, community colleges, and universities; look at shared services.

Combine agencies whose functions are similar – for instance, agriculture and forestry.